

Message Text

LIMITED OFFICIAL USE

PAGE 01 BRASIL 10450 212046Z
ACTION STR-05

INFO OCT-01 ARA-10 IO-13 ISO-00 STRE-00 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-07
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00
AID-05 SS-15 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02
SOE-01 OMB-01 DOE-12 AF-10 EA-10 EUR-12 NEA-10
OIC-02 OPIC-03 XMB-02 /160 W
-----118663 220315Z /70

R 212015Z DEC 77
FM AMEMBASSY BRASILIA
TO SECSTATE WASHDC 5301
INFO USMISSION GENEVA

LIMITED OFFICIAL USE BRASILIA 10450

USMTN ALSO FOR USMISSION

DEPT PASS STR

E.O. 11652: N/A
TAGS: ETRD, GATT, BR, US
SUBJ: GATT ARTICLE XXVII NEGOTIATIONS-BRAZIL

REF: A) STATE 291244 B) GENEVA 9401

1. ECONOFFS PRESENTED USG RESPONSE TO BRAZILIAN STANCE AT SUBJECT
NEGOTIATIONS IN DEC. 20 MEETING WITH NEW CHIEF OF FONMIN'S TRADE
POLICY DIVISION, COUNSELOR JOSE BOTAFOGO GONCALVES, AND DEPUTY CHIEF
JOSE ARTUR MEDEIROS. ECONOFFS LEFT TALKING POINTS BASED ON REFS,
STRESSING:

(1) USG'S CONCERN OVER UNWILLINGNESS OF BRAZDEL TO DISCUSS
EITHER GOB WITHDRAWALS OR US REQUEST LIST;
(2) INAPPLICABILITY OF BOP ARGUMENTS BY BRAZIL IN ARTICLE XXVIII
NEGOTIATIONS;
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BRASIL 10450 212046Z

(3) US REJECTION OF BRAZILIAN ASSERTION THAT QUALITY OF US
CONCESSIONS HAS "DETERIORATED" IN RELATION TO GOB CONCESSIONS;
(4) LEGAL AND TECHNICAL SEPARATION OF ARTICLE XXVIII NEGOTIATIONS
FROM RELATED DISCUSSIONS IN MTN.
ECONOFF STATED USG CONSIDERED OCTOBER NEGOTIATIONS INADEQUATE
AND REMINDED FONMIN OFFICIALS OF USG'S RIGHT UNDER ARTICLE XXV
WAIVER TO SUSPEND CONCESSIONS TO BRAZIL IN ABSENCE OF

ADEQUATE COMPENSATION.

2. IN RESPONSE, BOTAFOGO CONCEDED POINTS (2) AND (4) ABOVE, AND ADMITTED BRAZDEL TO OCTOBER NEGOTIATIONS HAD STRICT INSTRUCTIONS WHICH PREVENTED THEM FROM ENTERING INTO SERIOUS NEGOTIATIONS. BOTAFOGO SAID THIS WAS RESULT OF POLITICAL SENSITIVITIES ON PART OF BOTH GOVERNMENT AND BUSINESS SECTORS CONCERNING ANY CONCESSIONS IN GATT/MTN DUE TO BRAZIL'S BOP PROBLEMS. MEDEIROS ADDED THAT LACK OF PROGRESS IN MTN TARIFF DISCUSSIONS HAD HAD DIRECT AFFECT ON GOB ATTITUDE IN SCHEDULE III NEGOTIATIONS. ECONOFF REITERATED USG VIEW THAT ARTICLE XVIII TALKS ARE A SEPARATE EXERCISE FROM THE MTN AND NOTED THAT US EXECUTIVE WAS ALSO FACING POLITICAL SENSITIVITIES AND GROWING PROTECTIONIST SENTIMENTS WHICH WERE EVEN MORE DIFFICULT TO OVERCOME IN ABSENCE OF GENERAL LDC UNWILLINGNESS TO ACCEPT OBLIGATIONS ALONG WITH S&D TREATMENT. ECONOFF TOOK OPPORTUNITY TO EMPHASIZE CONTINUING USG COMMITMENT TO MTN AND INFORMED FONMIN OFFICIALS THAT AMB. STRAUSS WOULD GO TO GENEVA IN JANUARY IN CONNECTION WITH TABLING OF US OFFERS. NEVERTHELESS, US COULD NOT ACN PT GOB VIEW OF POOR PROGRESS IN MTN AS REASON FOR REFUSAL TO CONSIDER COMPENSATION TO US FOR WITHDRAWAL OF SCHEDULE III CONCESSIONS.

3. MEDEIROS SAID FONMIN WOULD PRESENT USG REACTION TO OCTOBER NEGOTIATIONS TO INTERMINISTERIAL WORKING GROUP ON SCHEDULE III FOR STUDY IN PREPARATION FOR RENEWED US-GOB CONTACTS ON THIS LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BRASIL 10450 212046Z

SUBJECT IN JANUARY. HE ALSO PREDICTED THAT GOB WOULD UNDOUBTEDLY HAVE TO NEGOTIATE ANOTHER EXTENSION OF ARTICLE XXV WAIVER TO CONTINUE NEGOTIATIONS.

4. COMMENT: THE FONMIN OFFICIALS WERE IMPRESSED BY THE FORCEFULNESS OF THE US REACTION TO THE OCTOBER NEGOTIATIONS AND MADE NO SERIOUS EFFORT TO EXPLAIN OR DEFEND GOB'S ATTITUDE IN THE TALKS. FURTHER DISTRIBUTION AND DISCUSSION OF TALKING POINTS PAPER BY FONMIN WITH OTHER MEMBERS OF WORKING GROUP SHOULD SERVE TO GIVE ALL CONCERNED ELEMENTS A CLEAR IDEA OF SERIOUSNESS WITH WHICH USG VIEWS GOB ATTITUDE IN ART. XXVIII TALKS.
JOHNSON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NEGOTIATIONS, TRADE AGREEMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 21-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BRASIL10450
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770476-1063
Format: TEL
From: BRASILIA USMTN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19771233/aaaabbif.tel
Line Count: 106
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 0d3616ff-c188-dd11-92da-001cc4696bcc
Office: ACTION STR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 STATE 291244, 77 GENEVA 9401
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 08-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 162693
Secure: OPEN
Status: NATIVE
Subject: GATT ARTICLE XXVII NEGOTIATIONS-BRAZIL
TAGS: ETRD, BR, US, GATT
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/0d3616ff-c188-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009